

External Analysis: Industry Environment
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- Expand into different industries
- Shift their industrial focus to more of a fast food/discount variety store.
- Few big players in this market and many small competitors
- Differentiation of products



External Analysis: Competitor Analysis

- 1. **Costco**
 - 100+ locations in VA, PA, NJ, MD
 - 100+ stores in VA, PA, NJ, MD
 - Operates internationally, only about 100 stores in US, Canada, UK, etc.
- 2. **Wal-Mart**
 - 100+ stores in VA, PA, NJ, MD
 - Operates internationally, only about 100 stores in US, Canada, UK, etc.
- 3. **Target**
 - 100+ stores in VA, PA, NJ, MD
 - Operates internationally, only about 100 stores in US, Canada, UK, etc.



External Analysis: General Environment

- Sociocultural:**
- Located in a specific region of the country (Pennsylvania - Virginia)
 - Primarily located in a specific region of the country (Pennsylvania - Virginia)
 - Immense consumer loyalty
 - Primarily the younger generations
- Economic:**
- Cost-driven strategy
 - Internal suppliers also provide them an economical advantage
 - Infiltrated different markets such as gasoline, tobacco, specialty coffee etc.
- Technological:**
- Electronic check out
 - Electronic processes and databases internally
 - Sophisticated food processes



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External Analysis: Five Force Analysis

- Bargaining Power of Customers** - Low to Moderate
 - Low switching costs & variety of substitutes
- Bargaining Power Suppliers** - Moderate to High
 - High switching costs & easily accessible products
- Threat of New Entrants** - Moderate to High
 - Low barriers to entry & brand loyalty
- Threat of Substitutes** - High
 - Wide variety of substitute products
- Existing Rivalry** - High
 - Intense competition & low concentration ratio



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Company Overview

- Founded in 1964; headquarters are located in Chester Heights, PA
- Privately owned company
- Operates on east coast of the US - New Jersey, Maryland, Delaware, Virginia, and Florida
- Employees - over 18,000
- Locations - over 600
- Major products/services:
 - Groceries including beverages of own brand (ice tea, dairy, juices)
 - Specialty coffee
 - Gas station services
 - Fast-served meals - "Build-to-order" hoagies, "Sizeli" sandwiches



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Internal Analysis

- Resource-Based Perspective**
- Wawa Dairy Farms production
 - Fast-served food
 - 200 stores with gas stations
 - Attractive locations
- Resource Deficiencies**
- Coordination of operations
 - Control of stores' profitability in various locations
 - Changing needs and preferences of customers
- Value-Chain Analysis**
- Developed relationships with suppliers
 - Wawa brand products, in-store food preparation, retail
 - Effective marketing and product introductions



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Purpose:

- Evaluate current strategy of the company
- Understand the nature of business operations
- Indicate strategic issues
- Address strategic issues with recommendations to potential solutions

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Strategy Assessment

- Business Level Strategy - Integrated Cost Leadership/Differentiation
- Corporate Level Strategy - Related Linked
- Sources of Competitive Advantage
 - One-stop-shop experience
 - Multiple lines of business

SWOT Analysis

- Strengths**
- brand loyalty
 - steady expansion
 - vertical integration
 - expansion into different market segments
- Weaknesses**
- limited geographic presence
 - generation clashes in technology
 - dependency on suppliers
- Opportunities**
- internat expansion
 - cuisine variations
 - new attractive niche markets and businesses
- Threats**
- Changes in customer preferences
 - demographic changes
 - new rules and regulations in industry



Strategic Issues

- Regional successes and failures - changing customers' needs and preferences
- Technological use and advances - loss of personalized experience
- Quality Vs. Quantity
- Upcoming Changes in Wawa

Recommendations

- Feedback through questionnaires and interactions with customers
- Training, customization, and options in placing an order
- New store format and change management



Wawa Inc.

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External Analysis: Competitor Analysis

- Leaders
 - McDonald's (15,000 stores)
 - Subway (10,000)
 - Dunkin' Donuts (10,000)
 - 7-Eleven (10,000)
 - Starbucks (10,000)
- Challengers
 - Wawa (1,000 stores)
 - Dunkin' Donuts (1,000)
 - Starbucks (1,000)
 - McDonald's (1,000)
 - Subway (1,000)



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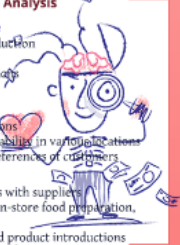
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Thank You for Attention!

Questions?



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External Analysis: Competitor Analysis

7-Eleven

- Headquarters in Tokyo, Japan
- Franchise in US
- operated internationally with 48,000 stores worldwide
- 8,200 stores in US, revenues \$15.5B



Cumberland Farms

- #30 America' Largest Private Company
- Revenues of \$9.8B
- 6,500 employees



Sheetz

- 400 locations in 6 states
- 13,600 employees
- \$5.75B in revenues



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